

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA

In Re:

Sheldahl, Inc.,

Debtor.

Bky Case No. 02-31674
Chapter 11

Sheldahl, Inc. Steering Committee,

Plaintiff,

Adv. Pro. No. _____

v.

ADVERSARY COMPLAINT

**SAINT-GOBAIN PERFORMANCE
PLASTICS CORPORATION,**

Defendant.

The Sheldahl, Inc. Steering Committee (the "Committee" or "Plaintiff"), for its
Complaint against Defendant **SAINT-GOBAIN PERFORMANCE PLASTICS
CORPORATION** ("Defendant"), states and alleges as follows:

1. The Committee is a duly appointed, qualified and acting representative of the estate of Sheldahl, Inc. (the "Debtor") pursuant to 11 U.S.C. § 1123(b)(3)(B).
2. This adversary proceeding is a core proceeding under 28 U.S.C. § 157.
3. This Complaint is brought under Bankruptcy Rule 7001, and this action arises under 11 U.S.C. §§ 502 and 547 and other applicable law. This Court has jurisdiction over this adversary proceeding. This adversary proceeding is authorized under 28 U.S.C. §§ 157 and 1334, Bankruptcy Rule 7001 and Local Rule 1070-1.

Upon information and belief, the Defendant is a business entity or individual, as the case may be, with a service address or place of business located at **Saint-Gobain Performance Plastics Corporation, c/o CT Corporation System, Inc., 405 2nd Avenue South, Minneapolis, MN 55401.**

4. The Debtor filed a petition under Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code") on April 30, 2002 (the "Petition Date").

5. A Joint Plan of Liquidation dated May 28, 2003, as modified on July 9, 2003 was confirmed by an Order of the Bankruptcy Court on February 6, 2004 (the "Plan"). Pursuant to the Plan, the Committee is authorized to act as a representative of the estate within the meaning of Section 1123(b)(3)(B) of the Bankruptcy Code and to perform the duties, exercise the powers, and assert the rights of a trustee under §§ 323, 704(1), 704(2), 704(5), 704(9), 1106(a)(6) and 1106(a)(7) of the Bankruptcy Code (with the benefits of limitation applicable to a trustee in bankruptcy) including, commencing, prosecuting or settling causes of action, enforcing contracts and asserting claims, defenses, offsets and privileges.

6. Plaintiff has made a written demand for payment to the Defendant, which remains unsatisfied.

**FIRST CAUSE OF ACTION
(Avoidance of Preferential Transfer Pursuant to 11 U.S.C. § 547)**

7. Within 90 days of the Petition Date, the Debtor transferred its interest in property to the Defendant in the total amount of **\$ 10,912.50** (collectively, the "Transfer").

8. Detail regarding the Transfer is set forth in Exhibit A attached and incorporated herein by reference. Plaintiff reserves the right to include within the

Transfer any and all other pre-petition transfers which may be avoidable by Plaintiff under applicable law as may be disclosed upon further investigation.

9. At all times material herein, Defendant was a creditor of the Debtor.
10. The Transfer was made to or for the benefit of a creditor.
11. The Transfer was made for, or on account of, an antecedent debt owed by the Debtor before such Transfer was made.
12. The Transfer was made on or within 90 days before the Petition Date.
13. The Transfer was made while the Debtor was insolvent.
14. The Transfer enabled the Defendant to receive more than it would receive if:
 - (a) the case were a case under Chapter 7 of the United States Bankruptcy Code;
 - (b) the Transfer had not been made; and
 - (c) the Defendant received payment on the debt it was owed to the extent provided by the Bankruptcy Code.

SECOND CAUSE OF ACTION
(Recovery of Preferential Transfer Pursuant to 11 U.S.C. § 550)

15. Defendant is the initial transferee of the Transfer.
16. Alternatively, if Defendant is not the initial transferee of the Transfer, Defendant is the immediate or mediate transferee of the initial transferor.
17. By reason of the foregoing, the Plaintiff is entitled to recover the Transfer pursuant to § 550 of the Bankruptcy Code.

**THIRD CAUSE OF ACTION
(Disallowance of Claim Pursuant to 11 U.S.C. § 502(d))**

18. Pursuant to 11 U.S.C. § 502(d), any claim asserted by Defendant shall be disallowed unless Defendant first pays the amount for which it is liable under 11 U.S.C. § 550(a).

19. Plaintiff is entitled to avoid and recover the Transfer or the value of the Transfer as a preference pursuant to Sections 547 and 550 of the Bankruptcy Code.

20. Accordingly, Plaintiff is entitled to recover from Defendant **\$ 10,912.50** together with interest, Plaintiff's costs and disbursements, and such attorneys fees and other expenses as may be allowed.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff respectfully prays that this Court:

- A. avoid the Transfer described in this Complaint;
- B. enter judgment in favor of Plaintiff and against Defendant, in the amount of **\$ 10,912.50**, plus interest from the date of each payment, Plaintiff's costs and disbursements and such attorneys fees and other expenses as the Court may allow;

- C. disallow any claim of the Defendant until the judgment is paid in full; and
- D. grant Plaintiff such other relief as this Court deems just and proper.

MOSS & BARNETT
A Professional Association

Dated: April 26, 2004

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EXHIBIT A

**SHELDAHL, INC. / SAINT-GOBAIN PERFORMANCE PLASTICS
SUMMARY OF PREFERENCE PAYMENTS**

<u>Wire/Check Date</u>	<u>Wire/Check No.</u>	<u>Wire/Check Amount</u>	<u>Clear Date</u>
253792	3/28/02	10,912.50	4/4/02
Total:		10,912.50	